

**Cowpet Bay West
Annual Owners Meeting
February 7, 2015**

Call to Order: The Annual Owners Meeting was called to order by President, Nick Overmyer at 9:00 a.m. at the Elysian Beach Resort. Board members present were, Doug Rebak, Mike McGuire, George Blackhall and John Kalb . Owners were directed to sign in upon arrival (Attachment 1, sign-in sheets for owner attendance).

Roll Call: Owners were asked to identify themselves as their names were called. Owners that were holding proxies were asked to identify themselves as proxy holders. There were owners of 48 units present and owners holding 23 proxies at the time of roll call.

Quorum Verification: George Blackhall announced there was sufficient attendance and proxies (1/3 of authorized votes) for a quorum.

Proof of Notice of Meeting: Documentation of notice was presented through the Association Newsletters of November 2014, December 2014, January 2015 and February 2015 and Board of Director Highlights.

Reading of the 2014 Annual Owners Meeting Minutes: Motion was made and 2nd to waive the reading of the 2014 minutes. Copies of the minutes were available for members upon request.

Rules of Conduct: George Blackhall, serving as Meeting Chairman, requested that owners wishing to be recognized to make a statement stand, be recognized by the chair, provide their name and unit number, and keep statements brief.

President's Report:

- Nicholas Overmyer requested a brief moment of silence for the departed.
 - Barbara Walters - In Remembrance
 - Sharon Koehler - In Remembrance
 - Joseph Selfridge – In Remembrance
 - Arlene Kirshenbaum – In Remembrance
- Nick announced since the last meeting we have Honey Badger L-01 & L-07, Jim Ladd W-06, Jordan Cohen W-19, John & Karin Kalb L-42, Timothy & Dianne Crowe L-09, Lisa Benson W-07, George & Peggy Hefferon, Steve & Debbie Laccone W-45. The New Owners were invited to stand and be recognized.
- Robert's Rules of Conduct - George has stressed the fact that the meeting will be following Robert's Rule of Conduct and that speakers are given a limited amount of time to speak to keep the meeting on track.

Insurance

- Doug Rebak, head of the Insurance Committee mentioned that there were no claims this year.
- members, Association employees, Board members and volunteers.

2014 - 2015 Insurance Summary

Type of Insurance	Vendor	Coverage	Deductible	Renewal	Cost
All Perils Policy	Mapfre	Agreed Value		03/31/15	\$227,487.00
Earthquake		\$20,732,604.00	5%		
Windstorm		\$2,000,000.00	\$40,000.00		
Flood/Tsunami		\$20,732,604.00	\$10,000.00		
All Other Perils		\$20,732,604.00	\$250.00		
General Liability	Mapfre	\$1,000,000.00	\$500.00	05/03/15	\$5,918.00
Directors & Officers Liability	Mapfre	\$1,000,000.00	\$10,000.00	06/02/15	\$3,500.00
Automobile	Theodore & Tunick	\$300,000.00	\$500.00	07/01/15	\$2,581.56
Fidelity Bond	Executive Insurance	\$250,000.00	\$2,500.00	01/31/16	\$1,072.93

Treasurer Report

- James Reported Bank Balances as of Dec 31, 2014 – Banco Popular \$39,953.00 and the reserve fund having \$182,186.002 for a total of \$222,139.00
- CBW income was reported at 1.6 Million Dollars
- Expenditures were reported to be at 1.315 Million Dollars with Capital expenditures of \$383,434.00. The Net Income was reported to be (negative) \$56,400.00
 - Overcost in repairing the generator - purchased the new switch gear
- 2015 Budget
 - Flat budget 2014 - Income that we are projecting will be almost the same as last year. Expenses are the same, the capital expenditures are budgeted to be in line with what we take in for reserves on an annual basis from all of you, that's approximately 327,000.

So when we look through what we need to invest in the capital improvement in 2015 we balanced that against Reserves that we anticipate to taking in, so that will balance out to zero.

- James stated that over the course of this year (2015), we'll set in place with the previous board the year before and with the current board is that we are able to reduce personnel cost both with permanent and contract labor by 94000 dollars. Efforts are being made to continue to oversee the budget.
- Cash and Cash Equivalent hand-out was stated
- James stated that the budget is set for the year - a copy will be emailed to owners.
 - Question - will there be changes in assessment fee - Answer - there are none, the board looked at what investments should be made for the long term benefit of the property to keep is as is or improve.
 - Question - In Dec of 2013, a special assessment was put in place and increase the 3 bedroom 46.15. This went to effect in Jan 2014 supposed to be for a year. Is this a permanent thing now? Answer- It was assessed based on the size of the unit. At the time, the board had talked about it being in place for one year. At the end of 2014, we looked at what was necessary (2015). Last year, it was put in place because the reserve had been drawn down for a number of years. The idea was to increase the reserve on a short term basis to build that up. We have found that over the years, the capital improvement costs were higher than anticipated, ei generator repair cost. We wanted to replenish the reserve, what actually occurred was it dropped slightly since things had come up. So in the coming years, we anticipate that we are going to keep that in place. It is however, not permanent. We look at the assessment on an ongoing basis. Every year, we talk about it at the Board meeting along with what sort of investments we need to do in the property. In some cases, we wanted to do more in 2015 but we have to balance that against the income that we are getting, the cost to all the owners with the special assessment that was made and so we made some choices in this being that this year it is going to be the same. We would look at it again at the end of the year whether we can pull it back or on-going for another year. To be honest, I would anticipate that we would have to keep it this year.
- John Kalb asked about the importance of the reserve fund and why it needs to be at a certain level for insurance and financing - The insurance policies have been adjusted and other things. The reserve is important for a few things, one, it does support our capital improvements, we are anticipating to take in 327,000 for reserve payment from all of the owners, all that amount is earmarked for capital improvements. Every dollar coming in is earmarked to pay for capital expenditure in 2015. Ideally, we'll be able to take in a bit more in the reserve to start building up that reserve a little bit higher. Second, because of the cash position, at the end of the year it will be approximately 40,000 dollars. We take in the insurance amount. Unfortunately, in the years past, what we are

taking in for the insurance were not placed in the special assessment for the insurance account so there wasn't a special insurance account so what happens is, we had to pull from the reserve to pay for out insurance each year. That typically comes between the March through May time period. So what we do is we're having to pull money from the reserves pay back, cash outlay in over the course of the year, goes back into the reserve to pay it back. The reserve today is not only used for Capital Improvement but also assisting with Cash Management.

- Fiber Optic being brought down to the property is not budgeted for - Holly suggested that we may be able to pay for this cost by borrowing money from the reserve fund.

Manager Report

- Holly Thanks to the owners for being cooperative.
- She stated that a few things have been accomplished last year, they are enumerated below
 - 143 leaks - saved over 100,000 dollars
 - 103 cracks mostly in Windward
 - Painted the Buildings and Railings in Windward
 - Concrete repairs (cracks in porches) Saved over 30,000 dollars by doing that in-house
 - 5 columns were schedule to be reinforced but did 7 total this year
 - Cleaned all the gray water cisterns
 - Electrical (Windward 1-12)
 - Electrical Room for the Water pumps
 - Replace the day time fuel tank
- Holly stated that this year she is concentrating on Windward like concrete work and outside cracks.
- She reported that painting all the buildings in Leeward will be painted and completed by May
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- She hopes to accomplish next year (enumerated below)
 - Painting Leeward
 - Leeward Cisterns
 - Painting Buildings
 - 5 more column reinforcing
- Next Few Years
 - Concrete Work
 - Railings
 - Landscaping (3rd Year)
- Security
 - Security Cameras were all installed
 - Crime Consultant (FUSION) will be doing a class with the staff regarding awareness, what to look for. Holly wants the owners to let her know right away if there are any

security incidents. A picture of the suspected person has been circulated to the owners. Owners are also to call the police to file a police report in case of any incidents. Crime intel will be investigating.

- Automatic door locking systems are also being offered. Give the office a call for an install
- Q&A
 - Security Guards - Holly just addressed the issue of visibility of security guards with No Nonsense Security. A replacement of the weekend guard will be explored.
 - Holly urged to look for details like the car that the perp use, plate number of a 4-door white sedan.
 - Officer Perez also comes by every day to patrol.
 - Doug - comment about installing door chimes
 - The day of the last incident - first week of November
 - Sedan - white 4 door sedan. He walks around.
 - Suspect is a trained boxer and has firearms charges against him.
 - What shirts does the staff wear - Gray shirts, white shirts, and Holly and Rita wears different color clothes.
 - An owner asked if we can apprehend him ourselves - Citizen's arrest, the cops will remove him and by that time, we can file a restraining order.
 - Owners are encouraged to get cameras at their doors, outside of the porches and such
 - An owner suggested a "Sting" - coordinating with the police.
- Rags in the toilet - Clogging the pumps, please inform the maids
- Service Calls - leave a message
- Propane Tanks, do not store in the storage area
- Garbage - do not dump them on the dump truck
- Garbage, mandatory pick up for a monthly fee - Next Board Meeting
- Innovative cable lines
- Fiber Optic Cable

At this time, the Ballots are due.

New Business

Election Results

Paul Goldberg – 3 year term

Bill Friend – 3 year term

Nicholas Overmyer – 3 year term

John Kalb – 2 year term

The winners were asked to stand up to be recognized.

There being no further business, the meeting was adjourned.